

GUS-0304
COPY 1 OF 2

Joe —

June 10, 1959

Joe:

This will confirm our discussions regarding contracts OM-5400 and RE-518 held at your office on June 9. We propose to charge the following items directly to Contract OM-5400:

1. The rent on a square footage basis for the first year and on a total basis for the additional period of the contract unless, of course, we are able to use the space presently occupied by our machine shop for some other corporate activity, in which case you would be charged only your pro rata share again based on floor area.
2. The guard services required to maintain the secure area.
3. The station wagon which will be based at the Post Road and used exclusively on this project.
4. The receptionist-switchboard operator and the private telephone lines.
5. One maintenance man whose sole duties would be in the secure area cleaning, maintaining machinery, etc.

The following items will be charged on an indirect basis by overhead and G & A:

1. Heat and light.
2. Secretarial services.
3. Purchasing services and G & A functions.

As discussed with you during my visit on the 9th and by phone prior to that time, we must be protected in any contract against liability for the payment of the lease in the case of termination of our contract with you. It will also be necessary to include in our contract with you a clause regarding your willingness to accept liability for whatever restoration costs

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Proposal Sect 1
CONTAINS SENSITIVE

- 2 -

June 10, 1959

may be involved in restoring the Post Road Plant to its original condition should the owner of the building so elect.

We would suggest that Contract RE-518 be used only for those items which have to do with the facilities to be supplied for your account or directly by you or by us. On those supplied by us we would in general expect to apply an 8% handling charge.


Charlie

CMH:pma